

## NEWSFLASH

### Update to the Law of August 10, 1915, on Commercial Companies

#### Latest Legislative Developments You Need to Know

The legal framework for commercial companies in Luxembourg is evolving! The Law of August 10, 1915, a cornerstone of Luxembourg corporate law, has recently been updated to incorporate new provisions, particularly concerning cross-border transformations, mergers, and demergers.

With the entry into force of the **Law of February 17, 2025**, Luxembourg transposes **Directive (EU) 2019/2121**, which aims to harmonize and simplify cross-border operations between EU Member States. These changes provide greater legal certainty for businesses while strengthening the protection of workers and stakeholders.

#### Key Updates

##### New Rules for Cross-Border Transformations

Luxembourg companies wishing to convert into entities governed by another EU Member State's law must now follow a stricter procedure, including:

- The publication of the draft terms of the cross-border conversion,
- Mandatory consultation with employees,
- Legality control by the competent authorities.

##### Clarification of Cross-Border Mergers and Demergers

Companies will benefit from a more structured framework to successfully carry out cross-border operations, with clear requirements for documentation, shareholder approval, and decision publication.

##### Enhanced Protection for Stakeholders

Creditors, minority shareholders, and employees will have **reinforced mechanisms** to assert their rights.

##### What Does This Mean for Businesses?

These new rules enhance transparency and predictability in cross-border operations, making Luxembourg even more attractive to international companies. However, administrative procedures will become slightly more complex, requiring businesses to anticipate and prepare more thoroughly.

##### What Should You Do Now?

Companies planning cross-border transformations or mergers should quickly:

- **Analyze the new obligations** and adjust their strategies accordingly,
- **Consult their legal and financial advisors** to ensure compliance,
- **Anticipate approval timelines** from the relevant authorities.

Now is the time to prepare and adapt to this evolving legal landscape!

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